

EXHIBIT 2

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

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MAXIMILIAN KLEIN, et al., on :
behalf of themselves and all :
others similarly situated, : Case No.
Plaintiffs, : 3:20-cv-08570-JD
v. :
META PLATFORMS, INC., a :
Delaware Corporation :
headquartered in California, :
Defendant. :

-----x
HIGHLY CONFIDENTIAL

Videotaped Deposition of
MICHAEL A. WILLIAMS, Ph.D.
Conducted Virtually
Wednesday, June 12, 2024
8:03 a.m.

JOB NO.: 540700

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REPORTED BY: MARK SCHWEITZER, CSR #10514, RPR, CRR

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Transcript of Michael A. Williams, Ph.D.

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1 here is -- is in revenues. Um, so with the 09:27:15
2 understanding that in Tables 5 and 6, we're -- I'm 09:27:18
3 talking about a reduction in revenues of holding 09:27:22
4 output constant. Then in Footnote 110, again, I'm 09:27:26
5 making the -- the correct comment that if there was 09:27:30
6 reduction in quantity that resulted in a 09:27:33
7 corresponding reduction in cost, that would leave the 09:27:37
8 damages analysis unchanged. 09:27:39

9 But outside of that, there is no further 09:27:40
10 discussion of in the but-for world, other exogenous 09:27:43
11 cost changes that are perhaps not corresponding to -- 09:27:55
12 to a change in quantity. (Inaudible cross talk.) 09:27:58

13 Q. Right. And now I'm asking a different 09:28:00
14 question. So I -- I understand that with respect to 09:28:02
15 costs and what you did and didn't do. 09:28:04

16 Now I'm talking about prices. My question 09:28:06
17 was you have not offered an opinion about whether in 09:28:08
18 the but-for world Meta's EPR could be brought down to 09:28:12
19 match the EPR of the yardstick firms based on factors 09:28:16
20 other than an increase in price. 09:28:22

21 A. Did you mean increase? 09:28:25

22 Q. I'm sorry. Reduction in price. 09:28:27

23 A. Well, again, see, it's slightly confusing 09:28:29
24 when you talk about a reduction in price. The 09:28:33
25 reduction is in revenue. But certainly there's a 09:28:36

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1 relationship, particularly since in Tables 5 and 6,
2 I'm holding the quantity constant. Um, but yes, it
3 is correct that in Tables 5 and 6, Meta -- the excess
4 is eliminated by reducing Meta ads revenues.

09:28:39

09:28:42

09:28:45

09:28:48

5 Q. Right. And the excess revenues or the --
6 the revenues are reduced by -- only by reducing the
7 price, right?

09:28:52

09:28:55

09:29:00

8 A. That is correct. Quantity is held
9 constant.

09:29:00

09:29:04

10 Q. And you have not offered any other opinion
11 or any other analysis of -- as to how Meta might
12 reduce revenues in that but-for world other than a
13 reduction in price?

09:29:04

09:29:06

09:29:09

09:29:15

14 A. Well, I'm not sure how Meta's revenues
15 would fall other than a reduction in -- in ad prices.
16 But I don't recall specifically talking about a
17 reduction in revenues other than -- other than a
18 reduction in -- in ad prices.

09:29:16

09:29:20

09:29:23

09:29:28

09:29:33

19 Q. Well, the other way you could do it is
20 through a quantity reduction, and you didn't analyze
21 what the impact would be if there were a quantity
22 reduction.

09:29:34

09:29:37

09:29:39

09:29:42

23 A. Well, no, that's not correct.

09:29:42

24 MS. LAWRENCE: Object to form. That wasn't
25 a question.

09:29:44

09:29:50

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1 THE WITNESS: Yeah, that's true. That 09:29:51
2 wasn't a question. It was a statement. But I'll -- 09:29:52
3 I'll go ahead and assume it was a question. 09:29:54

4 It's not correct because of Footnote 110. 09:29:56

5 Q. BY MS. MEHTA: Okay. Fair enough. Other 09:29:59
6 than Footnote 110, you have not analyzed whether Meta 09:30:00
7 could've -- or whether there could be a reduction in 09:30:04
8 the revenues that would then reduce Meta's EPR to 09:30:06
9 match that of the yardstick firms other than through 09:30:09
10 a reduction in ad pricing. Correct? 09:30:14

11 THE WITNESS: Well, again, you just left 09:30:17
12 out Footnote 110 again. But it -- it is correct that 09:30:20
13 the -- that in Tables 5 and 6, the -- Meta's -- 09:30:25
14 Meta's EPR is decreased by the amount of the excess 09:30:30
15 through a reduction in Meta's revenues. It is also 09:30:34
16 correct that Footnote 110 explains that -- that if 09:30:38
17 there was a reduction in the quantity of ads told by 09:30:42
18 Meta in the but-for world, if that reduction in 09:30:45
19 quantity resulted in a corresponding reduction in its 09:30:48
20 costs, that would leave my damages analysis 09:30:52
21 unchanged. 09:30:54

22 Q. Your calculation of, um, EPRs does not 09:30:55
23 distinguish between social and nonsocial advertising 09:30:59
24 profits, correct? 09:31:05

25 A. The -- I believe that's correct. The -- my 09:31:06